Lion Travel Service Co., Ltd.

Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lion Travel Service Co., Ltd.

Opinion

We have audited the accompanying financial statements of Lion Travel Service Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's financial statements for the year ended December 31, 2021 are stated as follows:

<u>Occurrence of the Operating Revenue from Group Tours</u>

The Company's operating revenue from group tours amounted to $1,379,937 thousand, which accounted for 94% of the consolidated operating revenue in 2021. The COVID-19 pandemic adversely affected the overall tourism market; however, the Company managed to continue operating group tours from Taiwan to the United States and Palau, which resulted in operating revenue of $141,682 thousand in 2021. We considered the operating revenue from group tours to the United States and Palau as a key audit matter.

The main audit procedures we performed in respect of the above area included the following:

1. We have obtained an understanding of the internal controls relating to the group tours revenue, and we have tested the operating effectiveness of the controls.

2. We selected samples of recorded group tours from Taiwan to the United States and Palau and we verified the occurrence of the group tours against the group tours checklist and supporting documents.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ching-Cheng Yang and Tza-Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2022

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

LION TRAVEL SERVICE CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,870,354	39	$ 2,054,505	38
Notes receivable (Notes 4 and 10)	1,294	-	501	-
Accounts receivable (Notes 4, 10, 20 and 26)	115,880	3	90,228	2
Current tax assets (Notes 4 and 22)	1,843	-	-	-
Prepayments (Note 14)	248,688	5	195,418	4
Other current financial assets (Notes 4, 9 and 27)	109,580	2	5,690	-
Other current assets (Note 26)	3,667	-	11,074	-
Total current assets	2,351,306	49	2,357,416	44
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	77,075	2	316,695	6
Investment accounted for using equity method (Notes 4 and 11)	945,994	20	981,343	18
Property, plant and equipment (Notes 4, 12 and 26)	162,954	3	227,273	4
Right-of-use assets (Notes 4 and 13)	866,256	18	1,291,495	24
Deferred tax assets (Notes 4 and 22)	315,227	6	158,474	3
Other non-current assets (Notes 4, 10 and 14)	77,295	2	81,254	1
Total non-current assets	2,444,801	51	3,056,534	56
TOTAL	$ 4,796,107	100	$ 5,413,950	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term unsecured borrowings (Notes 4 and 15)	$ -	-	$ 295,000	5
Contract liabilities - current (Note 20)	600,303	13	522,424	10
Notes payable (Note 4)	2,454	-	13,650	-
Accounts payable (Notes 4 and 26)	163,274	3	136,392	3
Other payables (Notes 4 and 17)	89,009	2	98,868	2
Current tax liabilities (Notes 4 and 22)	-	-	11,813	-
Lease liabilities - current (Notes 4 and 13)	104,888	2	151,407	3
Current portion of bonds payable (Notes 4 and 16)	278,754	6	-	-
Current portion of long-term borrowings (Notes 4, 15 and 27)	180,969	4	75,310	1
Other current liabilities	120,246	2	138,968	3
Total current liabilities	1,539,897	32	1,443,832	27
NON-CURRENT LIABILITIES				
Financial liability at fair value through profit or loss - non-current (Notes 4, 7 and 16)	1,520	-	840	-
Contract liabilities non-current (Note 20)	34,600	1	-	-
Bond payable (Notes 4 and 16)	376,981	8	676,480	12
Long-term borrowings (Notes 4, 15 and 27)	483,721	10	464,690	9
Deferred tax liabilities (Notes 4 and 22)	-	-	84	-
Lease liabilities - non-current (Notes 4 and 13)	806,797	17	1,199,294	22
Net defined benefit liabilities (Notes 4 and 18)	83,621	2	90,170	2
Other non-current liabilities (Note 4)	8,802	-	11,560	-
Total non-current liabilities	1,796,042	38	2,443,118	45
Total liabilities	3,335,939	70	3,886,950	72
EQUITY (Note 19)				
Share capital				
Common stock	747,226	16	700,000	13
Collected in advance	5,636	-	-	-
Capital surplus	1,210,694	25	843,396	15
Retained earnings				
Legal reserve	30,827	1	319,778	6
Special reserve	61,904	1	61,904	1
Accumulated deficit	(463,605)	(10)	(288,951)	(5)
Other equity	(132,514)	(3)	(109,127)	(2)
Total equity	1,460,168	30	1,527,000	28
TOTAL	$ 4,796,107	100	$ 5,413,950	100

The accompanying notes are an integral part of the financial statements.

LION TRAVEL SERVICE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 20 and 26)	$ 1,465,289	100	$ 4,534,175	100
OPERATING COSTS (Note 26)	(1,127,840)	(77)	(3,721,700)	(82)
GROSS PROFIT	337,449	23	812,475	18
OPERATING EXPENSES (Notes 13, 18, 21 and 26)	(1,139,082)	(78)	(1,641,383)	(36)
LOSS FROM OPERATIONS	(801,633)	(55)	(828,908)	(18)
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 26)				
Other income	301,708	21	328,528	7
Other gains and losses	(28,630)	(2)	639	-
Finance costs	(34,276)	(2)	(35,429)	(1)
Share of loss of subsidiaries	(67,882)	(5)	(44,713)	(1)
Interest income	3,702	-	5,337	-
Total non-operating income and expenses	174,622	12	254,362	5
LOSS BEFORE INCOME TAX	(627,011)	(43)	(574,546)	(13)
INCOME TAX BENEFIT (Notes 4 and 22)	157,026	11	161,489	4
NET LOSS	(469,985)	(32)	(413,057)	(9)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 18)	5,225	-	23,496	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (loss)	(3,720)	-	(31,890)	(1)
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	579	-	(12,868)	-
Income tax related to items that will not be reclassified subsequently (Note 22)	(1,045)	-	(4,699)	-

(Continued)

LION TRAVEL SERVICE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive loss of subsidiaries accounted for using the equity method	$ (18,046)	(1)	$ (2,465)	-
Other comprehensive income (loss) for the year, net of income tax	(17,007)	(1)	(28,426)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ (486,992)	(33)	$ (441,483)	(10)
LOSS PER SHARE (Note 23)				
Basic loss per share	$ (6.43)		$ (5.90)	

The accompanying notes are an integral part of the financial statements. (Concluded)

LION TRAVEL SERVICE CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity		
	Common Stock	Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign the Financial Statements of Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2020	$ 700,000	$ -	$ 821,322	$ 297,821	$ 68,747	$ 260,423	$ (75,086)	$ 13,182	$ 2,086,409
Appropriation of 2019 earnings									
Legal reserve	-	-	-	21,957	-	(21,957)	-	-	-
Special reserve	-	-	-	-	(6,843)	6,843	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(140,000)	-	-	(140,000)
Equity component of convertible bonds issued by the Company	-	-	21,748	-	-	-	-	-	21,748
Net loss in 2020	-	-	-	-	-	(413,057)	-	-	(413,057)
Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	18,797	(2,465)	(44,758)	(28,426)
Total comprehensive income (loss) in 2020	-	-	-	-	-	(394,260)	(2,465)	(44,758)	(441,483)
Changes in percentage of ownership interest in subsidiaries	-	-	326	-	-	-	-	-	326
BALANCE AT DECEMBER 31, 2020	700,000	-	843,396	319,778	61,904	(288,951)	(77,551)	(31,576)	1,527,000
Appropriation of 2020 earnings									
Legal reserve used to cover accumulated deficits	-	-	-	(288,951)	-	288,951	-	-	-
Other changes in capital surplus									
Equity component of convertible bonds issued by the Company	-	-	16,344	-	-	-	-	-	16,344
Net loss in 2021	-	-	-	-	-	(469,985)	-	-	(469,985)
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	4,180	(18,046)	(3,141)	(17,007)
Total comprehensive income (loss) in 2021	-	-	-	-	-	(465,805)	(18,046)	(3,141)	(486,992)
Convertible bonds converted to common stock	47,226	5,636	350,954	-	-	-	-	-	403,816
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	2,200	-	(2,200)	-
BALANCE AT DECEMBER 31, 2021	$ 747,226	$ 5,636	$ 1,210,694	$ 30,827	$ 61,904	$ (463,605)	$ (95,597)	$ (36,917)	$ 1,460,168

The accompanying notes are an integral part of the financial statements.

LION TRAVEL SERVICE CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (627,011)	$ (574,546)
Adjustments for:		
Depreciation expense	184,122	287,219
Expected credit loss (reversed) recognized	(1,401)	1,196
Net gain on financial assets and liabilities at fair value through profit or loss	(961)	(36,520)
Interest expense	34,276	35,429
Interest income	(3,702)	(5,337)
Dividend income	(9,317)	(9,359)
Share of loss of subsidiaries	67,882	44,713
Loss on disposal of property, plant and equipment	39,565	18,711
Gain on lease adjustments	(21,813)	(9,208)
Changes in operating assets and liabilities		
Notes receivable	(793)	59,064
Accounts receivable	(25,483)	594,833
Prepayments	(53,270)	1,047,655
Other current assets	7,407	(8,947)
Contract liabilities	112,479	(1,922,656)
Notes payable	(11,196)	(68,700)
Accounts payable	26,882	(930,328)
Other payables	(9,841)	(97,378)
Other current liabilities	(18,722)	121,694
Net defined benefit liabilities	(1,324)	(800)
Cash used in operations	(312,221)	(1,453,265)
Interest received	3,702	5,337
Interest paid	(12,786)	(5,896)
Income tax paid	(14,512)	(1,422)
Net cash used in operating activities	(335,817)	(1,455,246)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,000)	(204,700)
Disposal of financial assets at fair value through other comprehensive income	236,900	-
Proceeds from capital reduction of investee and return of investment in financial assets at fair value through other comprehensive income	-	1,333
Proceeds from disposal of financial assets at fair value through profit or loss	-	220,195
Payments for property, plant and equipment	(23,960)	(49,661)
Proceeds from disposal of property, plant and equipment	848	98
Decrease in refundable deposits	16,302	74,568
Increase in other current financial assets	(103,890)	-
Decrease in other current financial assets	-	1,080

(Continued)

LION TRAVEL SERVICE CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Decrease in other non-current assets	$ 1,232	$ 1,329
Increase in prepayments for equipment	(12,343)	(326)
Other dividends received	9,317	9,359
Dividends received from subsidiaries	-	13,950
Net cash generated from investing activities	123,406	67,225
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	295,000
Decrease in short-term borrowings	(295,000)	-
Proceeds from issuance of bonds	394,805	694,845
Proceeds from long-term borrowings	200,000	540,000
Repayments of long-term borrowings	(75,310)	-
Decrease in guarantee deposits received	(2,758)	(7,490)
Repayments of the principal portion of lease	(143,477)	(219,955)
Cash dividends paid to owners of the Company	-	(140,000)
Acquisition of subsidiaries	(50,000)	(10,000)
Net cash generated from financing activities	28,260	1,152,400
NET DECREASE IN CASH AND CASH EQUIVALENTS	(184,151)	(235,621)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,054,505	2,290,126
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,870,354	$ 2,054,505

The accompanying notes are an integral part of the financial statements. (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lion Travel Service Co., Ltd. (the "Company") was incorporated in Taiwan in June 1977.

The Company engages mainly in packaged tours, transportation ticketing, visa application, providing tour guides and other travel-related services.

The Company's shares have been listed on the Taiwan Stock Exchange (TSE) since September 24, 2013.

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 24, 2022.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value, and the net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its financial statements, adjustments arising from the differences in accounting treatment between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries and the related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements, the functional currencies of the Company (including subsidiaries and branches in other countries that use currency different from the currency of the Company) are translated into the presentation currency - the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investments in subsidiaries are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company’s financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company’s financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

f. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of property, plant and equipment is recognized by using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

g. Impairment of property, plant and equipment and right-of-use asset

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and right-of-use asset, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

h. Financial instruments

Financial assets and financial liabilities are recognized when the Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and financial assets at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other current financial assets and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings. Fair value is determined in the manner described in Note 25.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other current financial assets and refundable deposits), investments in equity instruments that are measured at FVTOCI and FVTPL.

The Company always recognizes lifetime Expected Credit Loss (ECL) for notes receivable, accounts receivable and overdue receivable. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liabilities is held for trading.

Financial liabilities held for trading is stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on the financial liabilities is recognized in other gains or losses. Fair value is determined in the manner described in Note 25.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in liabilities and equity will be transferred to common stock and capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

i. Revenue recognition

The Company identifies the performance obligations in the contract, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

<u>Revenue from the rendering of services</u>

The Company tour revenue is recognized over time, that is, as the customers obtain and consume the benefits of the Company's performance of the contract. Service income is recognized as services are provided and may be classified as realized or unrealized.

j. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

k. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

l. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost and net interest on the net defined benefit liability (asset)) are recognized as employee benefit expenses in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for an acquisition of subsidiaries, the tax effect is included in the accounting for the investments in subsidiaries.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 3,401	$ 3,064
Checking accounts and demand deposits	1,437,631	1,562,161
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	429,322	489,280
	$ 1,870,354	$ 2,054,505
Rates	0%-0.37%	0.01%-2.40%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
Financial liabilities - non-current		
Held for trading		
Derivative instruments (not under hedge accounting)		
Redeemable and puttable options of convertible bonds (Note 16)	$ 1,520	$ 840

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
Non-current		
FVTOCI - equity instrument	$ 77,075	$ 316,695

FVTOCI - Equity Instrument

	December 31	
	2021	2020
Non-current		
Domestic investments		
Listed funds and emerging market shares		
Millerful No.1 Real Estate Investment Trust	$ -	$ 242,421
Tigerair Taiwan Co., Ltd.	62,301	60,400
Unlisted shares		
Development of cultural and creative value of Venture Capital Co., Ltd.	7,333	7,333
Circle Island Tours Co., Ltd.	900	-
Foreign investment		
Unlisted shares		
Japan Hotel Advanced Technologies Co., Ltd.	6,541	6,541
	$ 77,075	$ 316,695

The above investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In 2021, the Company sold mutual funds of Millerful No. 1 Real Estate Investment Trust for $236,900 thousand and acquired common shares of Circle Island Tours Co., Ltd. For 1,000 thousand.

In 2020, the Company acquired mutual funds of Millerful No. 1 Real Estate Investment Trust for $204,700 thousand.

9. OTHER CURRENT FINANCIAL ASSETS

	December 31	
	2021	2020
Current		
Time deposits with original maturities of more than 3 months	$ 90,000	$ -
Pledged time deposits	19,580	5,690
	$ 109,580	$ 5,690
Rates	0.10%-0.82%	0.37%-1.02%

Refer to Note 27 for information relating on other current financial assets pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OVERDUE RECEIVABLES

	December 31	
	2021	2020
Notes receivable		
At amortized cost		
Gross carrying amount	$ 1,294	$ 501
Less: Allowance for impairment loss	-	-
	$ 1,294	$ 501
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 115,889	$ 90,455
Less: Allowance for impairment loss	(9)	(227)
	$ 115,880	$ 90,228
Overdue receivables (account listed under other non-current assets)		
Overdue receivables	$ 7,181	$ 9,945
Less: Allowance for impairment loss	(7,181)	(9,945)
	$ -	$ -

a. Notes receivable

The checks received by the Company are encashed either right after the reporting period or within one month after the issue date; thus, the Company did not recognize an allowance for impairment loss in the reporting periods.

b. Accounts receivable and overdue receivables

The Company's sales transactions are settled through cash, checks, bank remittances and credit cards. The accounts receivable refer to package tours, ticketing, credit cards, and commissions. Individual customers have to pay before their trips, and corporate customers and other travel service companies have to make payments based on the credit terms or the contracts.

The Company applies the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance was based on past due status.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are past due, whichever occurs earlier. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable, accounts receivable and overdue receivables based on the Company's provision matrix.

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 113,714	$ 3,455	$ 14	$ 7,181	$ 124,364
Loss allowance (Lifetime ECL)	-	-	(9)	(7,181)	(7,190)
Amortized cost	$ 113,714	$ 3,455	$ 5	$ -	$ 117,174

December 31, 2020

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 80,931	$ 9,599	$ 426	$ 9,945	$ 100,901
Loss allowance (Lifetime ECL)	-	-	(227)	(9,945)	(10,172)
Amortized cost	$ 80,931	$ 9,599	$ 199	$ -	$ 90,729

Except for overdue receivables already provided with 100% allowance for loss, the Company recognized within 0% to 50% allowance for all accounts receivable overdue under 180 days, 50% to 100% allowance for all accounts receivable overdue between 181 days and 365 days, and 100% allowance for all accounts receivable overdue over 365 days.

The movements of the loss allowance of notes receivables, accounts receivable and overdue receivables were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 10,172	$ 11,272
Add: Expected credit loss (reversed) recognized (1)	(1,401)	1,196
Less: Amounts written off (2)	(1,581)	(2,296)
Balance at December 31	$ 7,190	$ 10,172

1) Compared with January 1, 2021 and 2020, the balances of loss allowance on December 31, 2021 and 2020 decreased by $1,401 thousand and increased by $1,196 thousand, respectively, resulted from notes receivable, accounts receivable and overdue receivables net increased of $23,463 thousand and decreased of $657,522 thousand, respectively.

2) During 2021 and 2020, the Company wrote off accounts receivable and related loss allowance of $1,581 thousand and $2,296 thousand, respectively, due to some unrecoverable funds.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

	December 31	
	2021	2020
Lion International Holding Limited (Lion Holding)	$ 469,525	$ 495,513
Lion DMC International Co., Ltd. (Lion DMC)	63,475	62,142
Shuangshi Investment Co., Ltd. (Shuangshi Investment)	329,053	337,254
Lion (Fujian) International Travel Service Co., Ltd. (Fujian Lion)	45,598	46,560
LionBobby Travel Service Co., Ltd. (LionBobby)	38,343	39,874
	$ 945,994	$ 981,343

	Proportion of Ownership Voting Rights	
	December 31	
	2021	2020
Lion Holding	100%	100%
Lion DMC	100%	100%
Shuangshi Investment	100%	100%
Fujian Lion	90%	90%
LionBobby	55%	55%

The Company increased its investment in Shuangshi Investment Co., Ltd. by $50,000 thousand in September 2021.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computer Equipment	Office Equipment	Total
Cost					
Balance at January 1, 2020	$ 39,527	$ 30,957	$ 114,035	$ 232,579	$ 417,098
Additions	-	-	2,181	47,480	49,661
Disposals	-	-	(41,657)	(70,158)	(111,815)
Reclassification	-	-	453	6,540	6,993
Balance at December 31, 2020	$ 39,527	$ 30,957	$ 75,012	$ 216,441	$ 361,937
Accumulated depreciation					
Balance at January 1, 2020	$ -	$ 12,643	$ 65,536	$ 98,337	$ 176,516
Depreciation expense	-	553	20,303	30,298	51,154
Disposals	-	-	(41,410)	(51,596)	(93,006)
Reclassification	-	-	268	(268)	-
Balance at December 31, 2020	$ -	$ 13,196	$ 44,697	$ 76,771	$ 134,664
Carrying amount at December 31, 2020	$ 39,527	$ 17,761	$ 30,315	$ 139,670	$ 227,273
Cost					
Balance at January 1, 2021	$ 39,527	$ 30,957	$ 75,012	$ 216,441	$ 361,937
Additions	-	-	4,568	19,392	23,960
Disposals	-	-	(23,143)	(64,798)	(87,941)
Balance at December 31, 2021	$ 39,527	$ 30,957	$ 56,437	$ 171,035	$ 297,956
Accumulated depreciation					
Balance at January 1, 2021	$ -	$ 13,196	$ 44,697	$ 76,771	$ 134,664
Depreciation expense	-	553	14,567	32,746	47,866
Disposals	-	-	(22,845)	(24,683)	(47,528)
Balance at December 31, 2021	$ -	$ 13,749	$ 36,419	$ 84,834	$ 135,002
Carrying amount at December 31, 2021	$ 39,527	$ 17,208	$ 20,018	$ 86,201	$ 162,954

Due to the impact of COVID-19 pandemic in the tourism industry, the Company carried out a review of the recoverable amount of the property, plant and equipment, and determined that the recoverable amount exceeded the carrying amount, there was no indication of impairment for the year ended December 31, 2021 and 2020.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

Buildings	55 years
Computer equipment	3-10 years
Office equipment	3-10 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Buildings	$ 866,256	$ 1,291,495

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets		
Buildings	$ 37,207	$ 79,025
Depreciation charge for right-of-use assets		
Buildings	$ 136,256	$ 236,065

Due to the impact of COVID-19 pandemic in the tourism industry, the Company carried out a review of the recoverable amount of the right-of-use assets, and determined that the recoverable amount exceeded the carrying amount, there was no indication of impairment for the year ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 104,888	$ 151,407
Non-current	$ 806,797	$ 1,199,294

Discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Buildings	1.42%-1.59%	1.38%-1.87%

c. Material leasing activities and terms

The Company leases buildings for the use as offices and stores with lease terms of 3 to 15 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. For the years ended December 31, 2021 and 2020, the Company repaid the principal portion of lease of $143,477 thousand and $219,955 thousand, respectively.

e. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 11,817	$ 7,192
Expenses relating to low-value asset leases	$ 3,947	$ 358
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ -	$ 2,104
Total cash outflow for leases	$ (159,241)	$ (229,609)

The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER ASSETS

	December 31	
	2021	2020
Current		
Prepayments		
Prepaid tour costs	$ 167,348	$ 158,672
Inventory of supplies	33,530	31,387
temporary payments	23,863	-
Prepaid expenses	14,732	4,645
Overpaid sales tax	9,215	714
	$ 248,688	$ 195,418
Non-current		
Other assets		
Refundable deposits	$ 64,303	$ 80,605
Prepayments for equipment	12,992	649
	$ 77,295	$ 81,254

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Unsecured borrowings		
Line of credit borrowings	$ -	$ 295,000
Rates	-	1.14%-1.60%

b. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans	$ 150,000	$ -
Unsecured borrowings		
Line of credit borrowings	$ 514,690	$ 540,000
Less: Current portion	(180,969)	(75,310)
Long-term borrowings	$ 483,721	$ 464,690
Rates	1.50%-1.65%	1.50%-1.57%

The Company obtained bank loans with time deposits pledged as security (refer to Note 27).During the year ended December 31, 2021 and 2020, the Company obtained new bank borrowings in the amount of $200,000 thousand and $540,000 thousand, respectively, payable in the next 3 and 5 years.

16. BONDS PAYABLE

	December 31	
	2021	2020
1st Unsecured domestic convertible bonds	$ 278,754	$ 676,480
2nd Unsecured domestic convertible bonds	376,981	-
Less: Current portion	(278,754)	-
	$ 376,981	$ 676,480

a. 1st Unsecured domestic convertible bonds

At June 30, 2020, the Company issued 7 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $700,000 thousand. The maturity date of the bonds is on June 30, 2023.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $80.6. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. The conversion price was adjusted from $80.6 to $78.6 as of December 31, 2021. Conversion may occur at any time between October 1, 2020 and June 30, 2023.

If the bonds are not converted between October 1, 2020 and May 21, 2023, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive trading days, the Company may send a copy of “Debt Rebate Notice” with expiration of one month by registered mail within the next 30 trading days. The aforementioned period is calculated from the delivery of mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Company have to redeem the bonds at their par value in cash within 5 trading days following the base date.

The bondholders may opt for early redemption of the bonds after two years from date of issuance, June 30, 2022, it shall be the base date for early redemption of the bonds. The Company should send a copy of "Notice of Put Provision" to the bondholders by registered mail within 40 days before the base date of redemption (i.e., May 21, 2022), and the bondholders may require the Company to redeem the bonds at 100.5% par value of the bonds in cash. Upon receiving the request for redemption, the Company have to redeem the bonds in cash within 5 business days after the redemption date.

The convertible bonds contain both liability and equity components. The equity component is presented in equity under the heading of capital surplus - options. The liability components are classified as embedded derivatives and non-derivative liabilities. The embedded derivatives are measured at fair value; the fair value amounted to $840 thousand on December 31, 2020. The non-derivative liabilities are measured at amortized cost; the amortized cost amounted to $676,480 thousand on December 31, 2020. The effective interest rate of the liability components was 1.38% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,155 thousand)	$ 694,845
Equity component (less transaction costs allocated to the equity component of $162 thousand)	(21,748)
Liability component at the date of issue (less transaction costs allocated to the liability component of $4,993 thousand)	673,097
Interest charged at an effective interest rate of 1.38%	4,643
Valuation gain on financial instrument	(420)
Liability component at December 31, 2020 (separately account listed under bonds payable $676,480 thousand and financial liability at fair value through profit or loss - non-current $840 thousand)	$ 677,320
Liability component at January 1, 2021	$ 677,320
Interest charged at an effective interest rate of 1.38%	6,251
Convertible bonds converted to common stock	(403,816)
Valuation gain on financial instrument	(1,001)
Liability component at December 31, 2021(account listed under current portion of bonds payable $278,754 thousand)	$ 278,754

As of December 31, 2021, the convertible bonds with face value of $415,500 thousand were converted to 5,287 thousand ordinary shares.

b. 2nd Unsecured domestic convertible bonds

At December 9, 2021 the Company issued 4 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $400,000 thousand. The maturity date of the bonds is on December 9, 2024.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $92.5. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. The conversion price as of December 31, 2021 was $92.5. Conversion may occur at any time between March 10, 2022 and December 9, 2024.

If the bonds are not converted between March 10, 2022 and October 30, 2024, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive trading days, the Company may send a copy of "Debt Rebate Notice" with expiration of one month by registered mail within the next 30 trading days. The aforementioned period is calculated from the delivery of mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Company have to redeem the bonds at their par value in cash within 5 trading days following the base date.

The bondholders may opt for early redemption of the bonds after two years from date of issuance, December 9, 2023, it shall be the base date for early redemption of the bonds. The Company should send a copy of “Notice of Put Provision” to the bondholders by registered mail within 40 days before the base date of redemption (i.e., October 30, 2023), and the bondholders may require the Company to redeem the bonds at 100.5% par value of the bonds in cash. Upon receiving the request for redemption, the Company have to redeem the bonds in cash within 5 business days after the redemption date.

The convertible bonds contain both liability and equity components. The equity component is presented in equity under the heading of capital surplus - options. The liability components are classified as embedded derivatives and non-derivative liabilities. The embedded derivatives are measured at fair value; the fair value amounted to $1,520 thousand on December 31, 2021. The non-derivative liabilities are measured at amortized cost; the amortized cost amounted to $376,981 thousand on December 31, 2021. The effective interest rate of the liability components was 2% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,195 thousand)	$ 394,805
Equity component (less transaction costs allocated to the equity component of $216 thousand)	(16,344)
Liability component at the date of issue (less transaction costs allocated to the liability component of $4,979 thousand)	378,461
Valuation loss on financial instrument	40
Liability component at December 31, 2021 (separately account listed under bonds payable $376,981 thousand and financial liability at fair value through profit or loss - non-current $1,520 thousand)	$ 378,501

17. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payables for insurance	$ 41,765	$ 41,318
Payables for pension expense	22,755	25,348
Payables for service fee	9,116	13,006
Payables for salaries or bonuses	6,609	6,103
Other accrued expenses	8,764	13,093
	$ 89,009	$ 98,868

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The plan under the Labor Pension Act (the “Act”) is deemed a defined contribution plan. The Company makes monthly contributions equal to 6% of each employee’s monthly salary to employees’ pension accounts.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2021	**2020**
Present value of defined benefit plans	$ 143,803	$ 156,074
Fair value of plan assets	(60,182)	(65,904)
Net defined benefit liability	$ 83,621	$ 90,170

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Plans	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability (Asset)**
Balance at January 1, 2020	$ 188,485	$ (74,019)	$ 114,466
Service cost			
Current service cost	757	-	757
Net interest expense (income)	1,414	(565)	849
Recognized in profit or loss	2,171	(565)	1,606
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,395)	(2,395)
Actuarial loss			
Changes in demographic assumptions	195	-	195
Changes in financial assumptions	4,626	-	4,626
Experience adjustments	(25,922)	-	(25,922)
Recognized in other comprehensive income	(21,101)	(2,395)	(23,496)
Contributions from the employer	-	(2,406)	(2,406)
Benefits paid	(13,481)	13,481	-
Balance at December 31, 2020	156,074	(65,904)	90,170
Service cost			
Current service cost	468	-	468
Net interest expense (income)	776	(331)	445
Recognized in profit or loss	1,244	(331)	913

(Continued)

	Present Value of the Defined Benefit Plans	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (943)	$ (943)
Actuarial loss			
Changes in demographic assumptions	2,835	-	2,835
Changes in financial assumptions	(2,065)	-	(2,065)
Experience adjustments	(5,052)	-	(5,052)
Recognized in other comprehensive income	(4,282)	(943)	(5,225)
Contributions from the employer	-	(2,237)	(2,237)
Benefits paid	(9,233)	9,233	-
Balance at December 31, 2021	$ 143,803	$ (60,182)	$ 83,621

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit plans; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

3) Salary risk: The present value of the defined benefit plans is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit plans.

The actuarial valuations of the present value of the defined benefit plans were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rate(s)	0.63%	0.50%
Expected rate(s) of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit plans would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rate(s)		
0.5% increase	$ (7,972)	$ (9,069)
0.5% decrease	$ 8,630	$ 9,846
Expected rate(s) of salary increase		
0.5% increase	$ 8,344	$ 9,507
0.5% decrease	$ (7,792)	$ (8,854)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit plans as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	**2020**
The expected contributions to the plan for current	$ 2,218	$ 2,312
The average duration of the defined benefit plans	12 years	12 years

19. EQUITY

a. Share capital

Common stock

	December 31	
	2021	**2020**
Number of authorized shares (in thousands)	100,000	100,000
Amounts of authorized shares	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	74,723	70,000
Amount of issued and fully paid shares	$ 747,226	$ 700,000
Collected in advance	$ 5,636	$ -

As of December 31, 2021, the bondholders of the unsecured convertible bonds had requested to convert bonds into 5,287 thousand common stocks. Prior to the registration of the stocks from converted bonds, the Company recognized the proceeds from 564 thousand common stocks as capital collected in advance totaling $5,636 thousand. The Company will complete the related corporate registrations after the date of the issuance of new stocks has been decided, in accordance with the regulations.

b. Capital surplus

	December 31	
	2021	**2020**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Recognized from issuance of ordinary shares	$ 1,179,713	$ 815,850
May be used to offset a deficit only		
Recognized from changes in percentage of ownership interest in subsidiary (2)	5,798	5,798
May not be used for any purpose		
Share warrants of convertible bonds	25,183	21,748
	$ 1,210,694	$ 843,396

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary that resulted from equity transactions other than actual disposal or acquisition.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 21-(g).

The Company's dividends policy takes into consideration development plans, investment environment, capital requirement, market competition and shareholder's profit. Every year, distribution of bonuses to shareholders is not lower than 10% of appropriated earnings. Bonuses could be cash dividends or stock dividends and cash dividends are not lower than 30% of total dividends.

Legal reserve should be appropriated until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve exceeds 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2019 approved in the shareholders' meetings on June 11, 2020, as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 21,957	
Reversed special reserve	(6,843)	
Cash dividends	140,000	$ 2.0

The offsetting of deficit for 2020 approved in the shareholder's meeting on August 26, 2021 were as follows:

	Offsetting of Deficit
Legal reserve used to cover accumulated deficits	$ 288,951

The offsetting of deficit for 2021 to be presented for approval in the shareholders' meeting to be held on June 16, 2022.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (77,551)	$ (75,086)
Recognized during the year		
Exchange differences on translating the financial statements of foreign operations	(373)	603
Subsidiaries accounted for using the equity method	(17,673)	(3,068)
Balance at December 31	$ (95,597)	$ (77,551)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (31,576)	$ 13,182
Recognized during the year		
Unrealized gain - equity instruments	(3,720)	(31,890)
Subsidiaries accounted for using the equity method	579	(12,868)
Other comprehensive income recognized for the year	(3,141)	(44,758)
Disposal of investments in equity instruments cumulative loss transferred to retained earnings	(2,200)	-
Balance at December 31	$ (36,917)	$ (31,576)

20. REVENUE

	For the Year Ended December 31	
	2021	**2020**
Revenue from contracts with customers		
Tour revenue	$ 1,445,088	$ 4,371,506
Others	20,201	162,669
	$ 1,465,289	$ 4,534,175

a. Disaggregation of revenue

	For the Year Ended December 31	
	2021	**2020**
Type of contract revenue		
Package tour revenue	$ 1,379,937	$ 4,258,232
FIT revenue	65,151	113,274
Others	20,201	162,669
	$ 1,465,289	$ 4,534,175

b. Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (Note 10)	$ 115,880	$ 90,228	$ 687,586
Contract liabilities - current	$ 600,303	$ 522,424	$ 2,445,080
Contract liabilities - non-current	$ 34,600	$ -	$ -

The change in the balance of contract liabilities primarily results from the timing difference between the Company's performance and the respective customer's payment.

21. NET LOSS

a. Other income

	For the Year Ended December 31	
	2021	2020
Government grants	$ 220,706	$ 242,871
Rental income	34,000	42,155
Dividends income	9,317	9,359
Others	37,685	34,143
	$ 301,708	$ 328,528

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on lease adjustments	$ 21,813	$ 9,208
Net gain on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	961	36,520
Net foreign exchange loss	(5,438)	(2,785)
Loss on disposal of property, plant and equipment	(39,565)	(18,711)
Others	(6,401)	(23,593)
	$ (28,630)	$ 639

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on lease liabilities	$ 15,257	$ 24,402
Interest on bank loans	12,768	6,384
Interest on convertible bonds	6,251	4,643
	$ 34,276	$ 35,429

d. Interest income

	For the Year Ended December 31	
	2021	**2020**
Bank deposits	$ 3,702	$ 5,337

e. Depreciation

	For the Year Ended December 31	
	2021	**2020**
An analysis of depreciation by function		
Operating expenses	$ 184,122	$ 287,219

f. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Post-employment benefits		
Defined contribution plans	$ 35,322	$ 65,415
Defined benefit plans (Note 18)	913	1,606
	36,235	67,021
Other employee benefits	666,248	1,039,184
Total employee benefits expense	$ 702,483	$ 1,106,205
An analysis of employee benefits expense by function		
Operating expenses	$ 702,483	$ 1,106,205

g. Compensation of employees and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

Due to loss before income tax for the year ended December 31, 2020 and 2021, the Company did not accrue compensation of employees and remuneration of directors.

The employees' compensation and remuneration of directors for the year ended December 31, 2019 which have been approved by the Company's board of directors on March 20, 2020 were as follows:

Amount

	For the Year Ended December 31, 2019	
	Cash	**Stock**
Employees' compensation	$ 14,657	$ -
Remuneration of directors	-	-

The Company held board of directors' meetings on March 20, 2020. There is no difference between the amounts of employees' compensation that were approved by the board of directors and recognized in the financial statements for the year ended December 31, 2019. The amounts of remuneration of directors that were approved by the board of directors and recognized in the financial statements for the year ended December 31, 2019 are shown below. The differences will be adjusted to profit and loss for the year ended December 31, 2020.

	For the Year Ended December 31, 2019
	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ -
Amounts recognized in the annual financial statements	$ 2,052

Information on the employees' compensation and remuneration of directors approved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System.

h. Foreign exchange gain or loss

	For the Year Ended December 31	
	2021	**2020**
Foreign exchange gains	$ 2,199	$ 47,141
Foreign exchange losses	(7,637)	(49,926)
Net loss	$ (5,438)	$ (2,785)

22. INCOME TAXES

a. Major components of tax benefit recognized in profit or loss

	For the Year Ended December 31	
	2021	**2020**
Current tax		
Adjustments for prior years	$ (856)	$ 4,991
Deferred tax		
In respect of the current year	157,882	156,498
Income tax benefit recognized in profit or loss	$ 157,026	$ 161,489

A reconciliation of accounting profit and income tax benefit is as follows:

	For the Year Ended December 31	
	2021	2020
Loss before income tax	$ (627,011)	$ (574,546)
Income tax benefit calculated at the statutory rate	$ 125,402	$ 114,909
Nondeductible expenses in determining taxable income	(714)	(826)
Tax-exempt income	35,901	49,554
Unrecognized deductible temporary differences	(2,707)	(7,139)
Adjustments of tax expense on prior years	(856)	4,991
Income tax benefit recognized in profit or loss	$ 157,026	$ 161,489

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
Recognized in the current year:		
Remeasurement on defined benefit plan	$ (1,045)	$ (4,699)

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 1,843	$ -
Current tax liabilities		
Income tax payable	$ -	$ 11,813

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	January 1, 2021	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	December 31, 2021
Deferred tax assets				
Temporary differences				
Foreign operations accounted for using equity method	$ 1,759	$ 1,820	$ -	$ 3,579
Unrealized exchange loss on foreign operations	122	151	-	273

(Continued)

	January 1, 2021	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	December 31, 2021
Allowance for impaired receivables	$ 2,981	$ (327)	$ -	$ 2,654
Defined benefit plans	17,979	(265)	(1,045)	16,669
Tax losses	135,633	156,419	-	292,052
	$ 158,474	$ 157,798	$ (1,045)	$ 315,227
Deferred tax liabilities				
Temporary differences				
Convertible bonds	$ 84	$ (84)	$ -	$ -
	$ 84	$ (84)	$ -	$ -

(Concluded)

For the year ended December 31, 2020

	January 1, 2020	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	December 31, 2020
Deferred tax assets				
Temporary differences				
Foreign operations accounted for using equity method	$ -	$ 1,759	$ -	$ 1,759
Unrealized exchange loss on foreign operations	-	122	-	122
Right-of-use assets	5,684	(5,684)	-	-
Allowance for impaired receivables	1,415	1,566	-	2,981
Defined benefit plans	22,838	(160)	(4,699)	17,979
Tax losses	-	135,633	-	135,633
	$ 29,937	$ 133,236	$ (4,699)	$ 158,474
Deferred tax liabilities				
Temporary differences				
Foreign operations accounted for using equity method	$ 7,321	$ (7,321)	$ -	$ -
Unrealized exchange gain on foreign operations	2,787	(2,787)	-	-
Financial assets at fair value through profit or loss	13,238	(13,238)	-	-
Convertible bonds	-	84	-	84
	$ 23,346	$ (23,262)	$ -	$ 84

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2021 comprised:

Unused Amount	Expiry Year
$ 664,211	2030
796,049	2031
$ 1,460,260	

f. Income tax assessments

The tax returns through 2019 have been assessed by the tax authorities.

23. LOSS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic loss per share	$ (6.43)	$ (5.90)

The deficits and weighted average number of ordinary shares outstanding in the computation of loss per share were as follows:

Net Loss for the Year

	For the Year Ended December 31	
	2021	**2020**
Loss for the year attributable to owners of the Company	$ (469,985)	$ (413,057)

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of diluted loss per share	73,119	70,000

24. CAPITAL MANAGEMENT

The Company' capital management strategy is based on its need for working capital and capital expenditure for product processing, sales promotion, marketing, and distribution of dividends.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except those listed in the table below, the management concluded that the carrying value of financial instruments that are not measured at fair value approximates the fair value of financial instruments.

December 31, 2021

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 655,735	$ 711,373	$ -	$ -	$ 711,373

December 31, 2020

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 676,480	$ 722,400	$ -	$ -	$ 722,400

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investment in equity instruments				
Listed emerging market shares	$ -	$ 62,301	$ -	$ 62,301
Domestic unlisted common shares	-	-	8,233	8,233
Foreign unlisted shares	-	-	6,541	6,541
	$ -	$ 62,301	$ 14,774	$ 77,075
Financial liabilities at FVTPL				
Redeemable and puttable options of convertible bonds	$ -	$ 1,520	$ -	$ 1,520

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investment in equity instruments				
Listed funds and emerging market shares	$ 242,421	$ 60,400	$ -	$ 302,821
Domestic unlisted common shares	-	-	7,333	7,333
Foreign unlisted shares	-	-	6,541	6,541
	$ 242,421	$ 60,400	$ 13,874	$ 316,695
Financial liabilities at FVTPL				
Redeemable and puttable options of convertible bonds	$ -	$ 840	$ -	$ 840

There were no transfers between Levels 1 and 2 in 2021 and 2020.

2) Valuation techniques and inputs applied for the purpose of Level 1 fair value measurement

Level 1 inputs are quoted prices when available or inputs that are directly or indirectly observable for the financial assets, which have standard terms and conditions.

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly in the active markets, and these include quoted prices of similar financial instruments in active market, prices for identical or similar financial assets or liabilities in markets that are not active, or valuation models which have observable inputs based on accessible data from the markets, such as interest rates, yield curve, and volatility.

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The required input cost of evaluating privately offered fund and domestic unlisted shares is not economical, so the Company used net value of investment target company and adopts the market approach as the basis for evaluation.

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets at FVTPL		
Measured at amortized cost (Note 1)	$ 2,161,411	$ 2,231,529
Financial assets at FVTOCI	77,075	316,695
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	1,520	840
Measured at amortized cost (Note 2)	1,583,964	1,771,950

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, and other current financial assets and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, bonds payable (including current portion of bonds payable), long-term borrowing (including current portion of long-term borrowing) and guarantee deposits received.

d. Financial risk management objectives and policies

The financial risks on the Company's operations pertain to market, credit, and liquidity. For financial risk management, the Company not only identified and evaluated the market uncertainties but also applies a conservative approach to its operations. That is, the Company does not use or trade higher-risk derivative financial instruments and other complex financial instruments. This way, the Company protects itself from the effects of adverse market fluctuations.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Currency risk

The Company manages currency risk by using derivative financial instruments, i.e., the Company uses these instruments for hedging against adverse changes in exchange rates. In addition, there reserves have been set up for each foreign currency required for operations, and these reserves are reviewed regularly for adequacy.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the USD and RMB.

The following table shows the Company's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The 5% sensitivity rate is used when foreign currency risk is reported internally to key management personnel as well as represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and forward contracts designated as cash flow hedges, and the translation of these items and contracts at the end of the reporting period is adjusted for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pretax profit in New Taiwan dollars due to a 5% weakening against the relevant currency. For a 5% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pretax profit.

	For the Year Ended December 31	
	2021	**2020**
USD	$ 4,198	$ 2,361
RMB	1,346	896

The above amounts were mainly attributable to period-end balances of cash in banks and outstanding foreign currency receivables and payables, which were not hedged at the end of reporting period.

b) Interest rate risk

The Company is exposed to interest rate risk because the Company borrow funds and bank deposits at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring that the most cost-effective hedging strategies are applied.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 397,052	$ 491,720
Financial liabilities	655,735	776,480
Cash flow interest rate risk		
Financial assets	1,579,384	1,565,089
Financial liabilities	664,690	735,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased or decreased by $9,147 thousand and $8,301 thousand, respectively, which was mainly a result of the changes of net position of variable-rate bank deposits and variable-rate borrowings.

The Company's sensitivity to interest rates increased during the current period mainly due to the decrease in variable rate financial liabilities.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes; the Company does not actively trade these investments. The Company measured price risk of privately offered fund and investments in equity securities by performing sensitivity analysis.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $3,854 thousand and $15,835 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations, resulting in uncollectible receivables that could bring financial loss to the Company. The Company manages credit risk as follows:

a) For the maintenance or enhancement of the quality of receivables, the Company evaluates the creditworthiness of commercial customers and other travel service companies before transacting with them. The Company has also implemented a receivables management and collection system to reduce credit risk.

b) The Company enters into financial instrument contracts only with banks that have good credit status; thus, the Company has no significant risk arising from breach of contracts.

Further, there is no concentration of credit risk because the Company diversifies its customer or financial transaction counterparty pool.

3) Liquidity risk

The main objective of the Company's liquidity risk management-specifically in relation to cash, cash equivalents, banking facilities and so on - is to ensure that the Company has sufficient funds for its daily operations and activities. In addition, the receivable collection periods are similar to those in the market. For example, the Company requires that the settlement of check payments should be within one month after the check issue date. Payments for credit cards and other receivables should be settled within one month of the statement dates. Accounts payable should be settled within 90 days after the transaction. Further, the Company sees to it that funds are sufficient to cover daily operations as well as meet its bank borrowing obligation.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Lease liabilities	$ 8,908	$ 17,450	$ 78,530	$ 507,537	$ 299,260	$ 911,685
Floating rate instrument	14,971	30,017	135,981	483,721	-	664,690
Fixed rate instrument	-	-	278,754	376,981	-	655,735
	$ 23,879	$ 47,467	$ 493,265	$ 1,368,239	$ 299,260	$ 2,232,110

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 117,061	$ 546,349	$ 305,495

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Lease liabilities	$ 13,096	$ 25,974	$ 112,337	$ 708,130	$ 491,164	$ 1,350,701
Floating rate instrument	-	145,000	125,310	464,690	-	735,000
Fixed rate instrument	-	-	100,000	676,480	-	776,480
	$ 13,096	$ 170,974	$ 337,647	$ 1,849,300	$ 491,164	$ 2,862,181

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 160,468	$ 748,697	$ 497,991

b) Financing facilities

	December 31	
	2021	2020
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	$ 514,690	$ 835,000
Amount unused	1,195,845	1,342,819
	$ 1,710,535	$ 2,177,819
Secured bank overdraft facilities which may be extended by mutual agreement:		
Amount used	$ 150,000	$ -
Amount unused	-	-
	$ 150,000	$ -

26. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, details of transactions between the Company and its related parties are disclosed below:

a. Related party categories and its relationship with the Company

Related Name	Relationship with the Company and Other Related Parties
Lion DMC International Co., Ltd. (“Lion DMC”)	Subsidiaries
Shuangshi Investment Co., Ltd.	Subsidiaries
LionBobby Travel Service Co., Ltd. (“LionBobby”)	Subsidiaries

(Continued)

Related Name	Relationship with the Company and Other Related Parties
Lion International Travel Service Co., Ltd. (YVR)	Subsidiaries
Lion International Travel Service Pty., Ltd. (SYD)	Subsidiaries
Lion International Travel Service Co., Ltd. (AKL)	Subsidiaries
Lion International Travel Service Co., Ltd. (HK)	Subsidiaries
US Lion Travel	Subsidiaries
Lion Travel Service Co., Ltd.	Subsidiaries
Lion International Travel Service Co., Ltd. (THA)	Subsidiaries
Lion International Travel Service Co., Ltd. (UK)	Subsidiaries
Lion Information Technology Co., Ltd. (“Lion Information”)	Subsidiaries
Lion Express Co., Ltd. (“Lion Express”)	Subsidiaries
Ansett Tour Co., Ltd.	Subsidiaries
Travel Around Investment Holding Co., Ltd.	Subsidiaries
Lion International Travel Service (Shanghai) Co., Ltd.	Subsidiaries
Lion International Travel Service (Beijing) Co., Ltd.	Subsidiaries
Kinmen Lion International Express Co., Ltd.	Subsidiaries
Unitravel Service Co., Ltd. (“Unitravel”)	Subsidiaries
Xinflight Travel Service Co., Ltd.	Subsidiaries
Fontrip Technology Co., Ltd.(“Fontrip”)	Subsidiaries
Skylion International Travel Service Co., Ltd.	Subsidiaries
New Vision Travel Service Co., Ltd.	Subsidiaries
Gan Tan Co., Ltd.	Subsidiaries
JWI Marketing Co., Ltd. (“JWI Marketing”)	Substantive related party
AnsetTrans Co., Ltd.	Substantive related party
XinMedia Co., Ltd.	Substantive related party
American Vacation, Inc.	Substantive related party
Lion Consulting Co., Ltd.	Substantive related party
Lion Investment Co., Ltd.	Substantive related party
Travel Trend Investment Co., Ltd.	Substantive related party
XIN Investment Co., Ltd.	Substantive related party
Industrial Technology Research Institute	Substantive related party
Guan Yi International Co., Ltd.	Substantive related party
Gong Le You Co., Ltd.	Substantive related party
Hsin Shih Lu Co., Ltd.	Substantive related party

(Concluded)

Note: Uplan Travel Service Co., Ltd. changed its company name to Unitravel Travel Service Co., Ltd. on August 24, 2021.

b. Operating revenue

Line Item	Related Party Category	For the Year Ended December 31 2021	2020
Operating revenue	Subsidiaries	$ 2,676	$ 25,758
	Substantive related party	7,881	7,079
		$ 10,557	$ 32,837

The selling prices in related-party transactions were not significantly different from those for transactions with third parties.

c. Operating costs

Line Item	Related Party Category	For the Year Ended December 31 2021	2020
Operating costs	Subsidiaries/Lion Express	$ 113,968	$ 13,486
	Subsidiaries	2,678	609,030
	Substantive related party	31,282	12,177
		$ 147,928	$ 634,693

The purchase prices in related-party transactions were not significantly different from those for transactions with third parties.

d. Accounts receivable from related parties

Line Item	Related Party Category	December 31 2021	2020
Accounts receivable	Subsidiaries	$ 2,710	$ 1,466
	Substantive related party	1,136	665
		$ 3,846	$ 2,131

The outstanding accounts receivable from related parties were unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized on accounts receivable from related parties.

e. Accounts payable to related parties

Line Item	Related Party Category	December 31 2021	2020
Accounts payable	Subsidiaries/Lion DMC	$ 2,039	$ 55,471
	Subsidiaries	4,454	175
	Substantive related party	3,431	1,280
		$ 9,924	$ 56,926

The outstanding accounts payable to related parties were unsecured and payable in cash.

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2021	2020
Subsidiaries	$ 907	$ 2,089

g. Disposal of property, plant and equipment

Related Party Category	Proceeds For the Year Ended December 31		Gain (Loss) on Disposal For the Year Ended December 31	
	2021	2020	2021	2020
Subsidiaries	$ 54	$ -	$ -	$ -
Substantive related party	167	-	-	-
	$ 221	$ -	$ -	$ -

h. Lease arrangements

Lease transactions

Revenues related to lease transactions with related parties were based on market conditions and were not significantly different from those for transactions with third parties.

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Rental revenue	Subsidiary		
	Lion information	$ 9,865	$ 15,093
	Lion DMC	6,800	10,327
	Unitravel	3,515	2,184
	Others	1,839	1,875
	Substantive related party		
	JWI Marketing	6,898	6,526
	Others	4,915	5,766
		$ 33,832	$ 41,771

The balances of other lease receivables from related parties were as follows:

Line Item	Related Party Category/Name	December 31	
		2021	2020
Other current assets	Substantive related party		
	JWI Marketing	$ 714	$ 154

i. Acquisition of financial assets

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Financial assets at fair value through other comprehensive income	Subsidiary/LionBobby	$ 1,000	$ -

j. Endorsements and guarantees

For the endorsements and guarantees, please refer to Table 1.

k. Other transactions with related parties

1) Prepayments

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Prepayments	Subsidiary	$ 23,863	$ -

2) Revenue from administration services

The Company provided administrative service to related parties, and recognized the revenue from services as a reduction of operating expenses.

Related Party Category	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Subsidiaries	$ 28,112	$ 89,679
Substantive related party	39,011	22,209
	$ 67,123	$ 111,888

The balances of other receivables from related parties were as follows:

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other current assets	Subsidiaries/Fontrip	$ 400	$ -
	Substantive related party		
	JWI Marketing	1,575	969
	Others	681	627
		$ 2,656	$ 1,596

3) Advertising, video production and travel magazine expenses

Related parties produced advertisements and travel videos for the Company, and the Company subscribed to travel magazines published by related parties, and related expenses were recognized as advertising expenses, respectively.

Related Party Category	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Substantive related party	$ 16,166	$ 21,723

4) Information service provided

Subsidiaries provide information system development and maintenance to the Company. As of December 31, 2021 and 2020, related expenses were recognized as service expenses for $114,000 thousand and $160,005 thousand, respectively.

l. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 67,893	$ 92,291
Post-employment benefits	4,642	17,964
	$ 72,535	$ 110,255

The remunerations of directors and key executives were determined by the remuneration committee on the basis of individual performance and market trends.

27. ASSETS PLEDGED AS COLLATERALS OR FOR SECURITY

	December 31	
	2021	2020
Pledged deposits	$ 19,580	$ 5,690

Under the regulations of the Tourism Bureau of the Ministry of Transportation and Communications, these pledged time deposits were recognized as other current financial assets.

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company are the following:

a. Letters of guarantee obtained by the Company from banks and issued for hotel and transportation reservations, which amounted to $422,675 thousand and $691,143 thousand as of December 31, 2021 and 2020, respectively.

b. Letters of guarantee provided to buy tickets from airlines and others, which amounted to $31,951 thousand and $119,554 thousand as of December 31, 2021 and 2020, respectively.

c. The Company purchased guarantee notes from a bank in favor of Skylion Travel. The amounts of the guarantee notes were RMB5,000 thousand as of December 31, 2020.

d. The Company purchased guarantee notes from a bank in favor of Lion Shanghai. The amounts of the guarantee were RMB3,000 thousand RMB10,000 thousand as of December 31, 2021 and 2020, respectively. A subsidiary of Lion Shanghai has used the guarantees for both RMB3,000 thousand as of December 31, 2021 and 2020, respectively.

e. The Company obtained loan guarantee from a bank in favor of Lion JPN. The amounts of the guarantee were JPY300,000 thousand as of December 31, 2020.

29. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, the Tourism Bureau of the Ministry of Transportation and Communications coordinated the epidemic prevention measures with the Central Epidemic Command Center. The Tourism Bureau of the Ministry of Transportation and Communications has banned group travels from and to Taiwan, resulting in a substantial decline in operating revenue from February 2020. The domestic epidemic situation has intensified in Taiwan from May to July 2021, the Company suspended domestic group travel. While the domestic epidemic situation slowed down in August 2021, the government has eased the pandemic restrictions step by step, and people’s willingness to travel has also increased, resulting in operating revenue recovery. In response to the uncertainty of the global pandemic development, and the people’s confidence in the epidemic control in Taiwan, the Company is expanding the local tour business in Taiwan actively, and the Company is looking forward to soaring to a new height with creative operation models.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is an aggregation of foreign currencies aggregated other than the functional currencies of the Company and includes the exchange rates between foreign currencies and respective functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,219	27.67 (USD:NTD)	$ 89,070
RMB	6,190	4.35 (RMB:NTD)	26,927
HKD	1,471	3.55 (HKD:NTD)	5,222
JPY	19,428	0.24 (JPY:NTD)	4,663
EUR	133	31.33 (EUR:NTD)	4,167
AUD	181	20.09 (AUD:NTD)	3,636
CHF	61	30.19 (CHF:NTD)	1,842
CAD	64	21.63 (CAD:NTD)	1,384
			$ 136,911
Non-monetary items			
Investment accounted for using equity method			
USD	1,648	27.67 (USD:NTD)	$ 45,598
Financial liabilities			
Monetary items			
USD	185	27.67 (USD:NTD)	$ 5,119

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,763	28.48 (USD:NTD)	$ 50,210
RMB	4,089	4.38 (RMB:NTD)	17,910
JPY	19,313	0.28 (JPY:NTD)	5,408
EUR	98	35.06 (EUR:NTD)	3,436
AUD	148	21.98 (AUD:NTD)	3,253
CHF	65	32.37 (CHF:NTD)	2,104
			$ 82,321
Non-monetary items			
Investment accounted for using equity method			
USD	1,635	28.48 (USD:NTD)	$ 46,560
Financial liabilities			
Monetary items			
USD	105	28.48 (USD:NTD)	$ 2,990
JPY	4,264	0.28 (JPY:NTD)	1,194
			$ 4,184

The significant realized and unrealized net foreign exchange gains were as follows:

	For the Year Ended December 31			
	2021		2020	
Functional Currencies	**Exchange Rate**	**Net Foreign Exchange Loss**	**Exchange Rate**	**Net Foreign Exchange Loss**
NTD	1 (NTD:NTD)	$ (5,438)	1 (NTD:NTD)	$ (2,785)

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. investees:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (Table 1)

3) Marketable securities held. (Table 2)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 3)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

10) Information on investees. (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

LION TRAVEL SERVICE CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Borrowing Amount (Note 6)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	Lion Travel Service Co., Ltd. ("the Company")	Lion Shanghai	b	$ 292,033	$ 43,620	$ 13,035	$ 13,035	$ -	0.89	$ 1,460,168	Y	N	Y	
		Skylion Travel	b	292,033	21,810	-	-	-	-	1,460,168	Y	N	Y	
		Lion Travel Service Co., Ltd. (Japan)	b	292,033	80,370	-	-	-	-	1,460,168	Y	N	N	

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

a. "0" for the Company.
b. Subsidiaries are numbered from "1"

Note 2: Relationships between the endorser/guarantor and the endorsee/guarantee receiver:

a. The Company and guarantee party have business deals.
b. The Company directly and indirectly owned over 50% of guaranteed party's voting stocks.
c. The guaranteed party owned directly and indirectly over 50% of the Company's voting stocks.
d. The guaranteed party owned directly and indirectly over 90% of the Company's voting stocks.
e. The guarantor and guaranteed party are peers in contract projects or co-builders in accordance with contract provisions which require mutual insurance company.
f. Owing to the joint venture funded by all shareholders on its endorsement of its holding company.
g. Peers in performance bond joint security of pre-sale house contract under Consumer Protection Act.

Note 3: The maximum balance of the aggregate endorsement/guarantee should not exceed 100% of the endorser's net value as shown in its most recent financial statements. The maximum balance of the endorsement/guarantee to an individual counterparty should not exceed 20% of the endorser's net value as shown in its most recent financial statements.

Note 4: The balance of the period as the highest guarantee of endorsement.

Note 5: Amount approved by the Company's board of directors. The Company's board follows Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies Article 12-8 Hierarchy of decision-making authority and delegation that means the amount was decided by the chairman of the board of directors.

Note 6: To fill in the amount which used by the borrowing company.

Note 7: Related to endorsement/guarantee given by parent on behalf of subsidiaries, subsidiaries on behalf of parent and companies in Mainland China fill in "Y" if yes or "N" if no.

LION TRAVEL SERVICE CO., LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2021				Note
				Shares (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
Lion Travel Service Co., Ltd. (“the Company”)	Stock							
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,000	$ 62,301	0.50	$ 62,301	Note 6
	Development of cultural and creative value of Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	733	7,333	0.67	7,333	
	Japan Hotel Advanced Technologies	-	Financial assets at FVTOCI - non-current	1	6,541	3.01	6,541	
	Circle Island Tours Co., Ltd.	-	Financial assets at FVTOCI - non-current	100	900	11.11	900	
Shuangshi Investment	Stock							
	Vigor Kobo Co., Ltd.	-	Financial assets at FVTOCI - non-current	140	2,128	0.57	2,128	Note 6
LionBobby	Stock							
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	500	15,575	0.13	15,575	Note 6
	Yuyupas Co., Ltd.	-	Financial assets at FVTOCI - non-current	240	2,120	4.80	2,120	
Uplan Travel	Stock							
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	500	15,575	0.13	15,575	Note 6

Note 1: The marketable securities in this table is related to stocks, bonds, beneficiary certificates and short-term investments of IFRS 9 “Financial Instruments.”

Note 2: Transactions issuer was not determined as significantly related parties should leave the blank empty.

Note 3: Showing at carrying amounts with adjustments for fair value and deducted accumulated impairment loss; otherwise, showing at their original carrying amounts on amortized cost deducted the accumulated impairment loss.

Note 4: Which amount remarked as guaranteed and pledged should note on the table.

Note 5: The information about subsidiaries, associates and joint ventures, please refer to Tables 5 and 6.

Note 6: The fair value of listed funds and emerging stock is the average transaction price on December 31, 2021.

TABLE 3

LION TRAVEL SERVICE CO., LTD.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Number of Shares	Amount (Note 5)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount (Note 5)
Lion Travel Service Co., Ltd. (“the Company”)	Fund Millerful No.1 Real Estate Investment Trust	Financial assets at FVTOCI - non-current	-	-	23,000	$ 242,421	-	$ -	23,000	$ 236,900	$ 234,700	$ 2,200	-	$ -

Note 1: The marketable securities are related to stocks, bonds, beneficiary certificates, or other marketable securities derived from them.

Note 2: Marketable securities accounted for by using equity-method should.

Note 3: Market price of acquired or disposed marketable securities should be exceed 300 million or 20% of the “Paid-In Capital”.

Note 4: “Paid-In Capital” refers to the paid-in capital of the Company. If the shares have no par value or the par value per is less than NT$10, the 20% of paid-in capital should be based on the 10% of the equity attributable to the owners of the Company on the balance sheet.

Note 5: The beginning balance and ending balance included valuation adjustments of financial assets.

LION TRAVEL SERVICE CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note (Note 2)
			Purchase/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Lion Travel Service Co., Ltd. (“the Company”)	Lion Express	Grandson company	Purchase	$ 118,065	10.47	Same as those for unrelated parties	No significant difference	No significant difference	$ (4,514)	2.72	
Lion Express	The Company	Parent company	Sales	118,065	88.48	Same as those for unrelated parties	No significant difference	No significant difference	4,514	78.00	
Lion Information	The Company	Parent company	Sales	114,284	86.53	Same as those for unrelated parties	No significant difference	No significant difference	7,369	91.83	

Note 1: Condition of transactions which different from related parties and non-related parties should be noted.

Note 2: Note the reason, payment terms, amount, and general condition if there is an advance receipt or prepayments.

Note 3: “Paid-In Capital” refers to the paid-in capital of the Company. If the shares have no par value or the par value per is less than NT$10, the 20% of paid-in capital should be based on the 10% of the equity attributable to the owners of the Company on the balance sheet.

LION TRAVEL SERVICE CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Business and Product	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee (Note 2 b)	Share of Profit (Loss) (Note 2 c)	Note
				December 31, 2021	December 31, 2020	Shares (In Thousands)	%	Carrying Amount			
Lion Travel Service Co., Ltd. (the “Company”)	Shuangshi Investment	Taiwan	Investments	$ 330,000	$ 280,000	37,000	100	$ 329,053	$ (58,672)	$ (58,672)	Subsidiary
	Lion Holding	Hong Kong	Investments	572,217	572,217	143,740	100	469,525	(8,509)	(8,509)	Subsidiary
	Lion DMC	Taiwan	Travel industry	97,980	97,980	10,000	100	63,475	1,333	1,333	Subsidiary
	LionBobby	Taiwan	Travel industry	66,000	66,000	6,600	55	38,343	(2,628)	(1,445)	Subsidiary
Shuangshi Investment	Lion Information	Taiwan	Information technology industry	14,301	14,301	3,000	100	24,339	(1,833)	(1,833)	Grandson company
	Lion Express	Taiwan	Tour bus transportation industry	160,336	110,336	16,500	100	118,790	(43,518)	(43,518)	Grandson company
	Ansett Tour	Taiwan	Tour bus transportation industry	40,517	40,517	5,000	100	43,282	(2,373)	(2,373)	Grandson company
	Travel Around Investment	Taiwan	Investments	102,000	102,000	12,500	100	139,382	(10,745)	(10,745)	Grandson company
Lion Holding	Lion YVR	Canada	Travel industry	7,695	7,695	100	100	23,961	(1,011)	(1,011)	Grandson company
				CAD 112	CAD 112				(CAD 47)	(CAD 47)	
	Lion SYD	Australia	Travel industry	1,961	1,961	44	100	7,572	1,394	1,394	Grandson company
				AUD 67	AUD 67				AUD 64	AUD 64	
	Lion AKL	New Zealand	Travel industry	2,527	2,527	0.1	100	2,276	(827)	(827)	Grandson company
				NZD 113	NZD 113				(NZD 41)	(NZD 41)	
	Lion HK	Hong Kong	Travel industry	63,780	63,780	3	100	90,726	1,113	1,113	Grandson company
				HKD 16,294	HKD 16,294				HKD 301	HKD 301	
	US Lion	United States	Travel industry	13,284	13,284	360	100	2,747	(3,087)	(3,087)	Grandson company
				USD 360	USD 360				(USD 110)	(USD 110)	
	Lion JPN	Japan	Travel industry	85,927	85,927	27	100	50,303	(3,935)	(3,935)	Grandson company
				JPY 274,000	JPY 274,000				(JPY 15,476)	(JPY 15,476)	
	Lion THA	Thailand	Travel industry	11,579	11,579	1,323	49	17,913	(6,199)	(3,038)	Grandson company
				THB 12,395	THB 12,395				(THB 7,056)	(THB 3,457)	
	Lion UK	United Kingdom	Travel industry	-	12,321	-	-	-	(126)	(126)	Grandson company
				GBP -	GBP 300				(GBP 3)	(GBP 3)	
	Travel Story	Japan	Travel industry	18,362	18,362	7	100	8,525	(500)	(500)	Grandson company
				JPY 63,600	JPY 63,600				(JPY 1,938)	(JPY 1,938)	
Travel Around Investment	Unitravel	Taiwan	Travel industry	69,056	69,056	7,389	61	85,932	(14,606)	(8,846)	Subsidiary of grandson company
	Xinflight Travel	Taiwan	Travel industry	10,000	10,000	1,000	100	11,691	262	262	Subsidiary of grandson company
	Fontrip Technology	Taiwan	Information technology industry	39,050	39,050	3,905	39	36,847	(5,249)	(2,039)	Subsidiary of grandson company
Unitravel	New Vision	Taiwan	Travel industry	9,975	9,975	1,200	100	2,238	(192)	(192)	Subsidiary of grandson company
	Gan Tan	Taiwan	Catering business	6,000	-	600	40	3,293	(6,767)	(2,707)	Subsidiary of grandson company
LionBobby	LionBobby JPN	Japan	Travel industry	2,033	2,033	0.1	100	2,439	(43)	(43)	Grandson company
				JPY 7,400	JPY 7,400				(JPY 101)	(JPY 101)	
Lion Express	Kinmen Lion Express	Taiwan	Tour bus transportation industry	30,000	-	5,330	100	22,343	(9,916)	(1,076)	Subsidiary of grandson company

(Continued)

Note 1: Foreign subsidiaries of the Group are calculated and disclose based on the consolidated financial statements.

Note 2: Which is not belongs to Note 1, filled in by the following rules:

a. “Investee”, “Location”, “Main Business and Product”, “Original Investment Amount” and “Shares at the end of the period” should be filled in followed by the Company invest directly or indirectly and noted the relationship between each investee.
b. “Net Income (Loss) of the Investee” column should be filled in each investee net income (loss).
c. “Share of Profits (Loss)” column only needs to be filled in the profits or loss which recognized under equity method in each subsidiary. Net income of the investee was included share of profit or loss in each subsidiary.

Note 3: Information on investments in mainland China, please refer to Table 6.

Note 4: Lion UK completed the cancelling corporate registration on September 14, 2021.

(Concluded)

LION TRAVEL SERVICE CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2(b)2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Lion Fujian	Travel industry	$ 55,340 USD 2,000	The Company reinvested in Mainland China	$ 49,806 USD 1,800	$ - USD -	$ - USD -	$ 49,806 USD 1,800	$ (654) (RMB 151)	90	$ (589) (RMB 136)	$ 45,598	$ -	
Lion Shanghai	Travel industry	27,670 USD 1,000	Lion HK reinvested in Mainland China	27,670 USD 1,000	- USD -	- USD -	27,670 USD 1,000	1,298 RMB 300	100	1,298 RMB 300	73,226	-	
Lion Beijing	Travel industry	- USD -	Lion HK reinvested in Mainland China	13,835 USD 500	- USD -	- USD -	13,835 USD 500	- RMB -	-	- RMB -	-	-	Note 6
Lion Holding (China)	Management consulting activities	160,486 USD 5,800	Lion Holding reinvested in Mainland China	276,700 USD 10,000	- USD -	- USD -	276,700 USD 10,000	3,958 RMB 921	100	3,958 RMB 921	100,735	-	
Lion Travel Holding	Travel industry	95,590 RMB 22,000	Lion Holding (China) reinvested in Mainland China	130,350 RMB 30,000	- RMB -	- RMB -	130,350 RMB 30,000	463 RMB 111	100	463 RMB 111	58,568	-	
Skylion Travel	Travel industry	15,208 RMB 3,500	Lion Travel Holding reinvested in Mainland China	9,994 RMB 2,300	- RMB -	- RMB -	9,994 RMB 2,300	(2,210) (RMB 509)	100	(2,210) (RMB 509)	(29,626)	-	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 373,545 USD 13,500	$ 877,139 (Note 4) USD 31,700	$ 876,100

Note 1: Investment is divided into the following three categories:

a. Direct investment in mainland China.
b. Reinvestment in mainland China companies through the third region (please indicated the third area of investment company).
c. Others.

Note 2: The investment income (loss) recognized in current period:

a. Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

b. The investment income (loss) was determined based on the following basis:

1) The financial report was audited and certified by an international accounting firm in cooperation with a R.O.C. accounting firm.
2) The financial statements audited by the CPA of the parent company in Taiwan.
3) Others.

Note 3: The table is presented in thousands of New Taiwan dollar.

(Continued)

Note 4: The Investment commission approved the foreign currency limit the amount of investment. As of the current period, the Company did not exceed the limit.

Note 5: The net income (loss) of the investee was presented at the average exchange rate of the year ended December 31, 2021; the rest was presented at the exchange rate on December 31, 2021.

Note 6: Lion Beijing was dissolved on January 5, 2021, repatriation of the remaining capital is still in progress.

(Concluded)

TABLE 7

LION TRAVEL SERVICE CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
WANG, WEN-JEH	12,818,993	17.02
CHEN, FENG-CHUI	6,325,598	8.40

Note 1: The information of major shareholders is calculated by the Taiwan Depository & Clearing Corporation (“TDCC”) on the last business day of the quarter; the calculation includes the total number of ordinary shares and special shares delivered by the Company and held by the shareholders without physical registration (including treasury shares); the listed shareholders are those with more than 5% holding. The share capital recorded in the Company’s consolidated financial report and the actual number of shares delivered without physical registration may be different due to the difference in the basis of calculation.

Note 2: If the shareholder delivered the shares to a trust, the information mentioned above is disclosed by the individual trustor who opened the trust account. As for the shareholder’s handling of insider shareholding declarations with more than 10% of the shares in accordance with the Securities Exchange Act, the shareholdings include the shares held plus the shares delivered to the trust with the right to make decisions on the trust property. For information on insider equity declaration, please refer to Market Observation Post System.

LION TRAVEL SERVICE CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

STATEMENT 1

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash on hand		$ 3,030
Petty cash		371
Cash in banks		
Checking account		97
Demand account		1,305,558
Foreign currency deposit	Including USD3,066 thousand @27.67, RMB6,161 thousand @4.35, HKD1,430 thousand @3.55	131,976
Time deposits		428,600
Foreign time deposits		722
		$ 1,870,354

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Tour group receivable	$ 91,501
Credit card receivable	8,613
Tickets receivable	7,544
Refund tickets receivable	6,487
Others (Note)	1,744
Less: Allowance for doubtful accounts	(9)
	$ 115,880

Note: The amount of each item does not exceed 5% of the account balance.

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2021		Additions (Note 1)		Decrease/Reclassify (Note 2)		Gain (Loss) on Financial Assets	Balance, December 31, 2021		
	Shares/Units	Fair Value	Shares/Units	Fair Value	Shares/Units	Fair Value	(Notes 1 and 2)	Shares/Units	Fair Value	Collateral
Millerful No.1 Real Estate Investment Trust	23,000	$ 242,421	-	$ -	(23,000)	$ (236,900)	$ (5,521)	-	$ -	-
Tigerair Taiwan Co., Ltd.	2,000	60,400	-	-	-	-	1,901	2,000	62,301	-
Development of cultural and creative value of Venture Capital Co., Ltd.	733	7,333	-	-	-	-	-	733	7,333	-
Circle Island Tours Co., Ltd.	-	-	100	1,000	-	-	(100)	100	900	-
Japan Hotel Advanced Technologies Co., Ltd.	1	6,541	-	-	-	-	-	1	6,541	-
		$ 316,695		$ 1,000		$ (236,900)	$ (3,720)		$ 77,075	

Note 1: Gain (loss) on financial assets listed under other equity.

Note 2: The fair value is calculated based on the average transaction price on the last business day of December 2021.

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Balance, January 1, 2021		Additions (Note 1)		Decrease (Note 1)		Investment Gain or Loss	Balance, December 31, 2021			Equity, Net	Guarantee or Pledge
	Shares	Amount	Shares	Amount	Shares	Amount	(Note 2)	Shares	%	Amount	(Note 3)	
Lion Holding	143,740	$ 495,513	-	$ -	-	$ (17,479)	$ (8,509)	143,740	100	$ 469,525	$ 469,525	N
Lion DMC	10,000	62,142	-	-	-	-	1,333	10,000	100	63,475	63,475	N
Shuangshi Investment	32,000	337,254	5,000	50,471	-	-	(58,672)	37,000	100	329,053	329,053	N
Fujian Lion	-	46,560	-	-	-	(373)	(589)	-	90	45,598	45,598	N
LionBobby	6,600	39,874	-	108	-	(194)	(1,445)	6,600	55	38,343	38,343	N
		$ 981,343		$ 50,579		$ (18,046)	$ (67,882)			$ 945,994	$ 945,994	

Note 1: The Company had new investments in subsidiaries accounted for by using equity method, and recognized the exchange differences on translation of foreign financial statements, unrealized gain on financial assets at fair value through other comprehensive income.

Note 2: The financial statements for the same the accounting period were audited.

Note 3: Net capital share was calculated from the financial statements of the investee company.

STATEMENT 5

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2021	Additions	Decrease	Balance, December 31, 2021
Buildings	$ 1,620,285	$ 37,307	$ (482,343)	$ 1,175,149

STATEMENT 6

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2021	Additions	Decrease	Balance, December 31, 2021
Buildings	$ 328,790	$ 136,256	$ (156,153)	$ 308,893

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF OTHER NON CURRENT ASSETS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Leased deposit	$ 35,532
Travel deposit	24,691
Prepayments for equipment	12,992
Others (Note)	4,080
	$ 77,295

Note: The amount of each item does not exceed 5% of the account balance.

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Others (Note)	$ 2,454

Note: The amount of each item does not exceed 5% of the account balance.

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Accounts payable	$ 126,945
Tickets payable	36,329
	$ 163,274

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Type and Creditor		Balance, End of Year	Contract Period	Range of Interest Rates (%)	Collateral	Remark
Taiwan Cooperative Bank	Credit loan	$ 321,628	2025.08.10	1.50	Nil	
Mega Bank	Secured loan	150,000	2024.05.20	1.52	Pledged deposits	
Bank SinoPac	Credit loan	143,062	2023.06.18	1.57	Nil	
SCSB	Credit loan	50,000	2024.03.25	1.65	Nil	
Less: Current portion of long-term borrowings		(180,969)				
Non-current portion of long-term borrowings		$ 483,721				

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

	Description	Lease Term	Discount Rate	Balance, December 31, 2021
Buildings	Office and stores	January 2019 - December 2030	1.42%-1.59%	$ 911,685

STATEMENT 12

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Operating cost	
Tour group cost	$ 1,127,840

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Payroll and pension expenses	$ 595,324
Depreciation expenses	184,122
Service expenses	119,016
Insurance expenses	75,416
Others (Note)	165,204
	$ 1,139,082

Note: The amount of each item does not exceed 5% of the account balance.

LION TRAVEL SERVICE CO., LTD.

STATEMENT OF LABOR, DEPRECIATION, DEPLETION AND AMORTIZATION BY FUNCTION FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

Item	Classified as Operating Expense 2021	Classified as Operating Expense 2020
Employee benefit expenses		
Salaries and bonuses	$ 557,000	$ 879,453
Labor and health insurance	74,470	106,744
Pension expenses	36,235	67,021
Director compensation	2,089	253
Other benefit expenses	32,689	52,734
	$ 702,483	$ 1,106,205
Depreciation	$ 184,122	$ 287,219

Note 1: The Company's average monthly number of employees was 1,327 and 2,083, including 5 non-employee directors in 2021 and 2020, respectively.

Note 2: Average employee benefit expenses for 2021 and 2020 were $530 thousand and $532 thousand, respectively.

Note 3: Average employee salary expenses for 2021 and 2020 were $421 thousand and $423 thousand, respectively.

Note 4: The change in average employee salary expenses was (0.5%).

Note 5: The Company did not have supervisors for the years ended December 31, 2021 and 2020. Therefore, there were no compensation paid to supervisor.

Note 6: a. The remuneration of directors is determined by the compensation committee of the Company based on each director's participation and contribution to the operation of the Company, as well as on the general standard in the industry; the compensation committee will submit the proposed remuneration of directors to the board of directors for approval.

b. Compensation of managers and employees includes monthly salary, business performance bonus based on half-year business result, and profit sharing bonus based on annual profit. The amount and distribution of the business performance bonus and profit sharing bonus are recommended by the compensation committee to the board of directors for approval. Individual rewards are based on employee's job responsibility, contribution and performance.